

Message Text

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ORIGIN AF-06

INFO OCT-01 ISO-00 EB-07 TRSE-00 ERDA-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 FEAE-00 FPC-01 H-02

INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04

USIA-06 SAM-01 OES-03 SP-02 SS-15 STR-04 TAR-01 PRS-01

PA-01 /088 R

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R 220342Z JAN 76

FM SECSTATE WASHDC

TO AMEMBASSY COTONOU

INFO AMEMBASSY ABIDJAN

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E.O. 11652: N/A

TAGS:ENRG, EINV, DM, US

SUBJECT: ATTITUDE OF MOBIL AND TEXACO RE THEIR TRADE WITH
BENIN AND GSP SANCTION

REF: A) COTONOU 0071, B) ABIDJAN 0600; C) ABIDJAN 10403
(DEC. 5, 1975)

1. RE PARA 9 REFTL (A), DURING COURSE OF GSP REVIEW DEPT.
HAS BEEN IN FREQUENT CONTACT WITH OFFICIALS OF MOBIL AND
TEXACO CONCERNING DEVELOPMENTS IN BENIN AFFECTING THEIR
OUTSTANDING CLAIMS FOR COMPENSATION. IN POINT OF FACT,
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MOBIL AND TEXACO OFFICIALS HERE HAVE SHOWN THEMSELVES TO

BE GENERALLY UNINFORMED ABOUT BENIN, AND ARE ALMOST TOTALLY RELIANT UPON THEIR OFFICES IN PARIS AND UPON THE USG FOR INFORMATION.

2. TEXACO HEADQUARTERS MADE CLEAR TO DEPT ITS DESIRE THAT PRESSURE BE KEPT ON BENIN UNTIL FULL COMPENSATION HAD BEEN MADE. TEXACO OFFICIALS MENTIONED THEIR ONGOING LUBRICANT TRADE WITH BENIN, BUT SAID THAT THEY DID NOT FEEL A DISQUALIFICATION OF BENIN FOR GSP BENEFITS WOULD UNDULY HARM THAT TRADE. THEY DID NOT OBJECT TO POSSIBLE INVOCATION OF GSP SANCTIONS.

3. MOBIL, ON OTHER HAND, FORMALLY ASKED TREASURY IN LETTER DATED DEC 18, 1975 THAT NO SANCTIONS BE TAKEN AGAINST BENIN, DUE TO POSSIBLE ADVERSE REPERCUSSIONS ON MOBIL'S SUPPLY OF POL TO NIGER, SHIPMENTS OF WHICH TRANSIT BENIN. MOBIL'S

LETTER WAS SUBMITTED TO CIEP GROUP ON EXPROPRIATION, WHICH TOOK MOBIL'S ATTITUDE INTO CONSIDERATION DURING ITS OVERALL REVIEW OF BENIN NATIONALIZATIONS.

4. IN APPLYING LEGISLATION SUCH AS THE EXPROPRIATION PROVISION OF THE TRADE ACT, COMPANY ATTITUDES TOWARD PROGRESS ARE CLEARLY RELEVANT TO USG DECISION, BUT USG IS EVERTHELESS REQUIRED TO MAKE INDEPENDENT FINDING AS TO WHETHER A COUNTRY IS MAKING SATISFACTORY PROGRESS TOWARDS COMPENSATION OF AMERICAN INTERESTS THAT HAVE BEEN NATIONALIZED. IN THE CASE OF BENIN, THE CIEP GROUP DETERMINED THAT ADEQUATE STEPS TOWARDS COMPENSATION HAVE INDEED NOT BEEN TAKEN BY THE PRB. SISCO

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